

**STATE OF ARKANSAS
SECURITIES DEPARTMENT**

IN THE MATTER OF

HARP'S FOOD STORES, INC.

ORDER PROVIDING A
TRANSACTIONAL EXEMPTION
FROM REGISTRATION
NO. 01-033-S

FINDINGS OF FACT

1. On August 14, 2001, a letter was received by the Arkansas Securities Commissioner requesting that the proposed Tender Offer by Harp's Food Stores, Inc. (the "Company"), in which the Company will offer to purchase shares of the outstanding common stock (the "Stock") for cash (the "Transaction"), be determined to be an exempt transaction pursuant to Ark. Code Ann. § 23-42-504(a)(12).
2. The Company is a corporation organized under the laws of the State of Arkansas. The Stock consists of 155,800 shares of the common stock of the Company owned by 32 shareholders. Upon consummation of the Tender Offer, the Company will cancel the shares purchased by it. GreatBanc Trust Company, trustee for the Company's Employee Stock Ownership Trust, will be the sole shareholder of the Company after the Transaction is completed.

3. An exemption from registration has been requested pursuant to the Commissioner's discretionary authority under Ark. Code Ann. § 23-42-504(a)(12). The Company has been represented in these negotiations by counsel. The Company and the shareholders have had access to financial and other information concerning the parties as is necessary to make an informed investment decision. Based upon the foregoing, the Transaction is not the type the Arkansas Securities Act (the "Act") was designed to protect by requiring registration.

CONCLUSIONS OF LAW

1. Under Section 23-42-504(a)(12) of the Act, the Commissioner may by order exempt certain transactions from Sections 23-42-501 and 23-42-502 of the Act as not being necessary or appropriate in the public interest for the protection of investors.
2. It is not necessary or appropriate in the public interest for the protection of investors for the Company to be required to register the Transaction under the Act for the purposes of the contemplated offering.
3. It is not necessary or appropriate in the public interest for the protection of investors for the Company to be required to engage the services of a registered agent for the purpose of the contemplated offering.

OPINION

In recognition of the representations made by the Company, it appears registration of this Transaction is unnecessary in this instance.

This order does not exempt the Company from the antifraud provisions of the Act.

ORDER

IT IS THEREFORE ORDERED that securities offered or sold in Arkansas for the proposed Transaction, if offered and sold in compliance with the representations made in the letter of August 14, 2001, and in accordance with the Findings of Fact stated herein, shall be exempted from Sections 23-42-501 and 23-42-502 of the Act.

WITNESS MY HAND AND SEAL this 16th day of August, 2001.



MAC DODSON
SECURITIES COMMISSIONER